

November 19, 2001

VIA HAND DELIVERY

Mary L. Cottrell, Secretary
Department of Telecommunications and Energy
One South Station
Boston, Massachusetts 02110

Re: *Western Massachusetts Electric Company's Application for Approval of
2001 Amendatory Agreement Arrangement*
D.T.E. 01-99

Dear Secretary Cottrell:

Enclosed please find for filing with the Department of Telecommunications and Energy ("Department") an original and six copies of Western Massachusetts Electric Company's ("WMECO") Application for Approval of the 2001 Amendatory Agreement arrangement between WMECO and Vermont Yankee Nuclear Power Corporation ("Vermont Yankee"). Attached is a filing fee in the amount of \$100.

WMECO submits its Application pursuant to G.L. c. 164, sections 1A, 1G, 76, 94 and 94A and WMECO's Restructuring Plan, approved by the Department in D.T.E. 97-120 (1999). WMECO Restructuring Plan indicates that WMECO will mitigate transition costs, *inter alia*, by renegotiating its existing purchase power contract obligations. This Application requests approval of the results of one such renegotiation, the amendment of WMECO's existing purchase power contract with Vermont Yankee in regard to Vermont Yankee nuclear power station in Vernon, Vermont (the "Station"). The amendment is part of a larger business transaction by which Vermont Yankee will sell the Station to Entergy Nuclear Vermont Yankee LLC.

As described in more detail in the Application and testimony of Richard A. Soderman, the contract amendment eliminates WMECO's future risks in connection with the operation of the Station, including operation and maintenance costs, capital improvement costs and decommissioning costs. Under the contract amendment, WMECO will be responsible only for power actually delivered pursuant to a price schedule that includes a price deflator should market energy prices fall. Approval of the Application will result in a

reduction of the overall level of transition charges to be paid by WMECO's customers by approximately \$6.9 million on a net present value basis.

Thank you for your attention to this matter.

Sincerely,

Stephen Klionsky

Enclosures

cc: Paul G. Afonso
Kevin Brannelly
Ronald LeComte
Joseph Rogers
Robert Sydney